

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held October 21, 2004

Attendees: Chairman Elia Germani, Commissioner Kate Racine, Commissioner Robert Holbrook, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault and Luly Massaro.

Chairman Germani called the open meeting to order at 2:00 PM in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Minutes of Open Meetings held on October 7, 2004: Commissioner Racine moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

Competitive Telecommunications Service Providers:

The following companies submitted tariff filings. The Division has reviewed the tariff filings and does not recommend suspension of:

- 3196 – Z-Tel Communications, Inc. (tariffs filed 10/1/04)
- 3336 – United Systems Access Telecom (tariffs filed 10/13/04)
- 2878 – ChoiceOne Communications (tariff filed 9/27/04)
- 2472 - Sprint Communications (tariffs filed 10/12/04)
- 2618 - AT&T Communications of NE (tariffs filed 10/4, 10/5, 10/7 & 10/13/04)
- 2426 – TCG Rhode Island (tariffs filed 10/4 & 10/13/04)
- 2702 – Verizon Select Services Inc. (tariffs filed 9/29/04)
- 3597 – ACN Communications Services, Inc. (tariffs filed 9/30/04)
- 2262(L10) - Paetec Communications (tariffs filed 10/1/04)
- 2262(K) – SNET America, Inc. (tariff filed 10/1/04)
- 2262(P7) – MCI WorldCom (tariffs filed 10/13/04)
- 2262(I19) – Telecom Management, Inc. (tariff filed 10/4/04)

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

2585 – LCI International Telecom Corp.: The company ceased operations in RI as a result of merging into another company and requests that its authority to operate be rescinded. After review, Chairman Germani asked for a motion and Commissioner Racine moved to rescind the authority of the Company. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

3636 – Verizon Rhode Island: Verizon submitted a tariff filing to replace tariff language that assesses non-recurring charges upon an end user who is acquired by Verizon RI by default when a reseller discontinues its provision of service to all or substantially all of its end users for effect October 27, 2004. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

3548 – New England Gas Co.: After review of the record regarding the Company's proposed changes to the Distribution Adjustment Clause (DAC) charge and the company filing submitted on July 30 and September 1, Chairman Germani supported approval of the following motion:

1. To approve an interim Distribution Adjustment Clause (DAC) factor of \$0.0019 per therm on an interim basis for effect November 1, 2004.
2. At the recommendation of the Division, the Commission directs the Company to file the following reports:
 - An assessment of the LNG allocation with the next DAC filing.
 - A mid-year environmental report.
 - With the next DAC filing, an environmental report for the second half of the fiscal year and a detailed forecast of anticipated environmental expenditures and revenues for the first half of the next fiscal year.
 - Monthly billing detail for non-firm customers in order to support a verification of Company reported non-firm margin revenues.

Commissioner Racine seconded the Chairman's motion noting that the record requires more evidence and scrutiny of the ESM, ERC and DSM components of the DAC and that there are outstanding data requests to be responded to. She found that the public testimony was very compelling in that people are having a difficult time paying their gas bill. Commissioner Racine asked that the Division take a strong point to advocate for the ratepayer and share in her endeavor to scrutinize the record with the hopes that some monies can be found that may give a reduction to the ratepayers. Commissioner Holbrook concurred with Commissioner Racine and moved to approve the Chairman's motion. **Vote 3-0.**

3634 – New England Gas Co.: After review of the record regarding the Company's proposed changes to the Gas Cost Recovery (GCR) rates in its filing submitted September 1, 2004, Chairman Germani supported approval of the following motion:

- To approve the Company's proposed GCR factors for effect November 1, 2004 as submitted in its filing.
- That the Company compute the Gas Purchasing Plan incentives and penalties on the basis of its fiscal year.
- That the Company continues to file monthly reports on its projected end-of-period deferred gas cost balance.

The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

(The approved GCR factors on per therm basis are: \$0.8793 for Residential and Small C&I customers; \$0.8718 for Medium C&I customers; \$0.8810 for Large Load Factor C&I customers; \$0.8617 for Large High Load Factor customers; \$0.9022 for Extra

Large Low Load Factor customers; and \$0.8386 for Extra Large High Load Factor customers. The approved GCR factor for the Natural Gas Vehicle rate is \$0.6652 per therm. The approved Marketer Transportation Charges are: \$0.0399 per therm for FT-2 marketer gas charge; pipeline surcharges and credit that will result in a weighted average upstream pipeline transportation cost of \$1.119 per Dth; and the Pool Balancing Charge of \$0.002 per percentage of balancing elected per therm of throughput.)

3617 – Narragansett Electric Co.: Ms. Wilson summarized that the City of East Providence passed a resolution, noting that pursuant to the statute passed by the General Assembly, the city will waive the customer share of the earnings credit and apply these funds towards the burial of the E-183 transmission line. Also, the City of Providence will address a similar resolution at its next finance meeting scheduled tonight. After review of the several bill formats proposed by Narragansett Electric, the Commission requested that the bill notify the customers in East Providence and Providence that they will not receive their share of the credit and why. Commissioner Holbrook further noted that in the event E-183 project does not go forward, then customers should be informed that credit or funds would be returned to the customers.

The open meeting adjourned at 3:00 P.M.